



INITIATION OF COVERAGE

MARKETWISE, INC. (NASDAQGM: MKTW)

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Market Statistics in USD

Price	\$ 15.45
52 week Range	\$9.08 - \$21.74
Daily Vol (3-mo. average)	15,258
Market Cap (M)	\$ 37.8
Implied Market Cap (M)	\$ 248.14
Enterprise Value (M)	\$ (234.3)
Class A Shares Outstanding (M)	2.4
Public Float (M)	1.7
Combined Shares Outstanding (M)	16.1

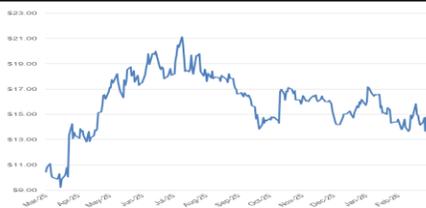
Financial Summary in USD

Cash (M)	\$ 70.1
Cash/Share	\$ 28.69
Debt (M)	\$ -
Equity (M)	\$ (213.6)
Equity/Share	\$ (4.78)

FYE: Dec **2025** **2026E** **2027E**

(all figures in M, except per share information)

Rev	\$ 328.1	\$ 358.2	\$ 387.7
Chng%	-20%	9%	8%
CFFO	\$ 44.4	\$ 49.4	\$ 52.2
Net Income	\$ 5.6	\$ 7.7	\$ 8.5
EPS	\$ 2.41	\$ 3.20	\$ 3.61



Company Description

MarketWise, Inc. is a direct-to-consumer financial research and software platform serving self-directed investors through a portfolio of differentiated editorial brands, premium subscription products, and analytical tools. The Company focuses on acquiring and monetizing investor audiences across a range of strategies, price points, and customer cohorts, and seeks to deepen lifetime value through renewals, cross-sells, premium offerings, and increasingly software-led monetization within a highly scalable digital distribution model.

Company Updates

MarketWise exited FY25 with a stronger operating profile, as improving demand and execution helped offset the lagged impact of weaker prior-period billings on reported revenue. FY25 billings increased to \$271.2M (+13.4% y/y) and CFFO improved to \$46.0M from \$(22.2)M in FY24, while revenue declined to \$328.1M (-19.7% y/y) and net income fell to \$64.0M (-31.2% y/y). Management identified 4Q24 as the inflection point after 12 quarters of decline, with momentum accelerating through FY25. In 4Q25, billings rose to \$78.9M (+42.0% y/y) and CFFO increased to \$24.2M from \$6.0M in 4Q24, while revenue declined to \$83.3M and net income fell to \$14.0M. Overall, FY25 showed a clear turnaround in billings and cash flow despite GAAP revenue pressure.

Momentum - We believe FY25 shows that MarketWise's customer base is smaller, but materially stronger. Paid subscribers ended FY25 at 374K (-26.1% y/y) as lower-value legacy and entry-level cohorts continued to roll off, though counts stabilized in 2H25. More importantly, FY25 net revenue retention improved to 91% from 53% in FY24, returning to pre-COVID levels and indicating the remaining base is stickier and spending more over time. That is also evident in mix, with roughly 65% of subscribers above \$500 of lifetime spend and 36% above \$2,500, up from 24% in 2023.

The momentum is showing up in billings and monetization. FY25 billings rose to \$271.2M (+13.4% y/y) and 4Q25 billings increased to \$78.9M (+42.0% y/y, +23.8% q/q), while ARPU climbed to \$670 (+70.1% y/y). Membership subscribers also increased to 47% of the paid list from 40% at year-end 2024, reinforcing the shift toward higher-value products and better revenue quality. Because billings typically lead GAAP revenue by 12 to 24 months, we view the recovery in billings as an important sign that the underlying business has improved even if reported revenue is still shaped by older cohorts.

Capital Allocation - MarketWise ended FY25 with a strong, debt-free balance sheet and \$70.1M of cash. For FY25 MKTW posted CFFO of \$46.0M, paid \$15.7M of dividends, and completed \$3.4M of buybacks. The Board also raised the regular dividend by 25%, declared a \$0.25 regular dividend and \$0.20 special dividend. The Company also retains a \$50M buyback authorization. We view the balance sheet as supportive of dividends, buybacks, organic growth, and selective M&A.

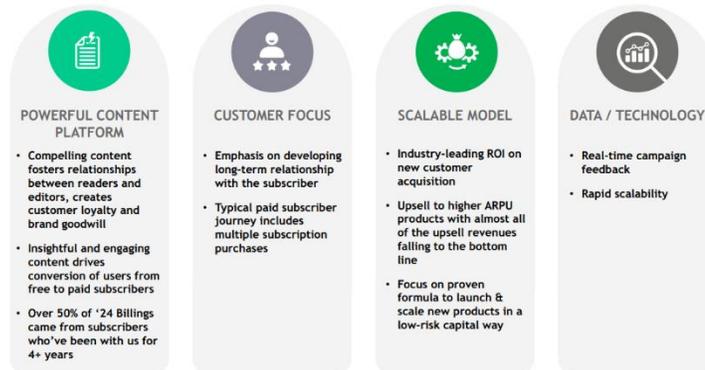
Guidance - Management's FY26 outlook calls for billings of approximately \$300M (+~10% y/y), CFFO of approximately \$50M (+~9% y/y), and dividends of \$1.80 per Class A share. We view that outlook as supportive of the turnaround, even as GAAP revenue continues to lag due to ratable revenue recognition. Management also expects partnership tax distributions to decline to approximately \$35M from \$49.8M in FY25, with a 1H26 weighting.

Valuation - We rely on a P/E comp analysis, a dividend discount model and a DCF model to guide our valuation. When taken together using a simple average, our valuation range for MKTW is \$22.32 to \$26.86, with a midpoint of \$24.54. Further details on our valuation methods are found on the valuation page of this report.

Business Overview

MarketWise (MKTW) is a multi-brand, digital subscription platform providing premium financial research and investing tools to self-directed retail investors, founded in 1999 on the idea of publishing “the kind of research we would want to read” and making honest, independent analysis accessible to retail investors. What began as one publication has grown into a family of eight brands serving more than 2+ million subscribers globally, pairing plain-English research across sectors and asset classes with education and software tools designed to help members cut through the noise, think independently, and drive engagement and renewals through a cross-sell “flywheel” model.

Exhibit 1: Key Drivers of Success



Source: Company Reports

Company History

MarketWise traces its roots to 1999, when Porter Stansberry launched what became Stansberry Research around a simple premise: publish independent, accessible investment research that treats subscribers the way the firm itself would want to be treated. Over the next two decades, the Company expanded from a single newsletter into a multi-brand, fully digital direct-to-consumer financial publishing platform, growing both organically and through acquisitions into a broader suite of subscription research, software, education, and tools for self-directed investors. By management’s own timeline, that buildout culminated in peak annual billings of more than \$700 million during the 2020-2021 period, before the Company rebranded as MarketWise and entered the public markets in July 2021 through its business combination with Ascendant Digital Acquisition Corp.

The post-listing period has been far less linear. After benefiting from the COVID-era surge in retail-investor engagement, MarketWise spent 2022 and 2023 working through weaker conversion and retention from that unusually large subscriber cohort, resulting in multiyear billings reset and 12 consecutive quarters of year-over-year billings decline through 3Q24. Since then, management has framed MarketWise as a turnaround centered on returning to high-quality, trustworthy research, tightening operations, improving marketing efficiency, and rebuilding growth on a more durable base, with the first clear evidence of improvement emerging in 4Q24 when billings grew double digits year over year. This momentum has continued with a clear trend line of billings growth since 4Q24.

Monetization Framework

MarketWise’s portfolio is best viewed as a multi-brand, digital research and software platform built to serve self-directed investors across a range of strategies, price points, and customer cohorts, with the model increasingly skewing toward higher Average Revenue Per User (ARPU) products, software-led monetization, and better customer quality. As of FY25, the Company operated 9 customer-facing brands with 100+ products, supported by editors and analysts spanning value, income, growth, commodities, crypto, biotech, mutual funds, options, and trading. Monetization is increasingly driven by premium products, greater depth of spend per subscriber, and longer-duration customer relationships, making lifetime value more important to the portfolio than raw subscriber scale.

Importantly, the portfolio is no longer just newsletter driven. Software and analytical tools such as Chaikin Power Gauge, TradeStops, and Altimeter represented 52% of FY25 billings, highlighting a meaningful mix shift toward higher-value, tools-led offerings. The core software brands are also the most clearly defined in the Company’s materials: Chaikin Analytics offers stock-research and portfolio-management tools aimed at helping investors

identify winners and avoid losers ahead of market shifts; TradeSmith provides algorithm-based portfolio-management software designed to improve decision-making and reduce emotion-driven errors; and Altimetry offers a database of uniform, accounting-based financial summaries covering more than 4,000 companies. By contrast, the major editorial legacy brands - including Stansberry Research, Brownstone Research, and InvestorPlace - are better understood as differentiated research franchises that broaden content breadth, support subscriber acquisition, and create cross-sell opportunities across investing styles and themes.

The architecture is tied together by a clear funnel model. MarketWise acquires users through free-to-paid and direct-to-paid marketing, using free editorial content and educational products to drive lead generation and conversion, then monetizes those customers over time through renewals, cross-sells, premium research, memberships, and software tools. Management describes this as a flywheel: more products increase utility for existing subscribers, improve targeting, generate more customer feedback and behavior data, and support new product launches. That framework also helps explain the Company's recent strategy shift. Since mid-2024, MarketWise has focused more heavily on higher-priced products and better customer quality, making paid subscriber count a less useful standalone metric. As of FY25, MarketWise had 374 thousand paid subscribers, but customer mix had improved materially, with 65% of customers having lifetime spend above \$500, roughly 50% of paid subscribers over \$1,000, and more than 50% of FY25 billings coming from subscribers who have been with the Company for more than four years. The portfolio is best understood not as a loose collection of brands, but as a structured monetization system designed to compound lifetime value through higher ARPU products, software adoption, and deeper subscriber relationships.

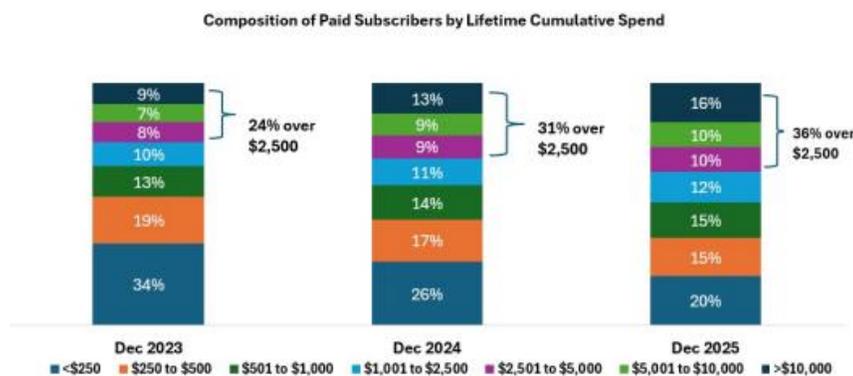
Exhibit 2: MarketWise Monetization Flywheel



Source: Stonegate Capital Partners

The target customer is a self-directed investor who is willing to pay for differentiated content, specialized market views, and tools that can improve decision-making. That audience spans a wide range of profiles, including income-oriented investors, active traders, thematic growth investors, and longer-term retail subscribers seeking independent research outside traditional wealth-management channels. What unifies the market is not a single strategy, but a common demand for clarity, actionable ideas, and portfolio support in an increasingly complex investing environment. This is what makes the addressable market broader than a traditional newsletter niche and helps explain why firms like MarketWise compete not just for subscriptions, but for ongoing wallet share across research, education, and investing tools.

Exhibit 3: Subscriber Mix Inflection



Note: Due to rounding, the sum of the layers shown in the chart above do not add to 100% for 2024 & 2025

Source: Company Reports

Key Brands and Product Offerings

MarketWise's current brand portfolio reflects a broad but increasingly higher-value monetization strategy across the self-directed investor landscape. The Company's public brand lineup highlights nine major franchises spanning traditional editorial research, thematic growth investing, dividend and value strategies, active trading, and software-led portfolio tools. Viewed together, the portfolio shows that MarketWise is not reliant on a single investing style, editor, or product category. Instead, the Company uses a diversified set of brands to attract different customer cohorts, segment users by interest and sophistication, and increase ARPU over time through cross-sell, upsell, and deeper engagement.

Exhibit 4: Customer Facing Brands



Source: Company Reports

Stansberry Research:

Stansberry Research is the Company's flagship brand and a foundational franchise within the broader platform. The brand is built around risk management, independent thinking, and accountability, and serves self-directed investors seeking broad premium research across multiple strategies, sectors, and market views. Its target audience includes engaged retail investors who want actionable investment ideas, portfolio guidance, and a differentiated perspective outside of traditional Wall Street research. Given its breadth and long-standing brand recognition, Stansberry appears to function as both an important customer acquisition engine and a core renewal platform within the ecosystem.

InvestorPlace:

InvestorPlace is a broad-based publishing platform designed to help retail investors identify major market trends, avoid common pitfalls, and uncover new investment opportunities. The brand is best suited for readers looking for accessible market commentary, idea generation, and educational investing content across a wide range of topics. Strategically, InvestorPlace appears to serve a top-of-funnel role by attracting a broad audience of self-directed investors and feeding that engagement into paid subscriptions and higher-value services across the MarketWise platform.

TradeSmith:

TradeSmith is a software-oriented brand focused on helping investors make more disciplined portfolio decisions through analytics, risk-management tools, and educational support. The offering is geared toward investors who want more than editorial content alone and are looking for tools that can improve trade execution, portfolio oversight, and decision-making consistency. Its target audience is likely to include more serious self-directed investors who value process, portfolio monitoring, and technology-enabled support. Strategically, TradeSmith is important because it deepens utility and supports a more recurring, embedded relationship than a purely content-driven product.

Chaikin Analytics:

Chaikin Analytics is positioned around technology-driven research, market recommendations, and portfolio tools designed to give investors a more quantitative edge. The brand appears tailored to self-directed investors who want data-backed insights, stock-rating systems, and systematic support in evaluating opportunities and managing portfolios. Relative to more traditional newsletter products, Chaikin is aimed at users who place a

higher value on process, analytics, and actionable signals, making it an important part of the Company's broader push toward higher ARPU software and analytical offerings.

Brownstone Research:

Brownstone Research is a premium editorial brand focused on major technology and innovation themes, including artificial intelligence, biotechnology, advanced computing, and digital finance. The brand is targeted toward growth-oriented investors who are looking for thematic exposure, forward-looking research, and differentiated views on emerging industries. Within the portfolio, Brownstone broadens MarketWise's appeal to subscribers interested in innovation-driven investing and likely supports stronger monetization among customers willing to pay for more specialized research.

Altimetry:

Altimetry is built around proprietary accounting analytics designed to help investors better evaluate a company's underlying financial performance. The offering appears best suited for fundamentally oriented investors who want deeper financial insight, cleaner earnings analysis, and tools that go beyond conventional accounting presentation. Strategically, Altimetry sits at the intersection of research and software, helping reinforce MarketWise's effort to pair investment ideas with analytical tools, screening functionality, and more decision-support-oriented products.

Wide Moat Research:

Wide Moat Research focuses on identifying high-quality businesses with durable competitive advantages, attractive valuations, and dependable dividend growth. The brand is geared toward more conservative, long-term investors who prioritize business quality, downside protection, and income generation over more aggressive trading or thematic strategies. Within the broader platform, it adds balance by serving a more quality- and income-oriented audience and expanding MarketWise's reach beyond higher-growth or more tactical investor segments.

The Opportunistic Trader:

The Opportunistic Trader is a specialized trading brand centered on more active strategies, particularly in areas such as options and forex. The offering is designed for investors seeking tactical guidance, shorter-duration opportunities, and a more trading-oriented approach than traditional long-term investment research. Its target audience is likely more active and experienced self-directed traders who are comfortable with a faster-paced, higher-engagement style of investing. Within the broader architecture, the brand expands MarketWise's reach into a more specialized and tactical corner of the retail-investor market.

Jeff Clark Trader:

Jeff Clark Trader is another trading-oriented franchise within the MarketWise portfolio and is geared toward self-directed investors looking for more tactical market exposure and trade-focused idea generation. The brand likely appeals to subscribers who want a more active style of engagement, shorter-duration opportunities, and research tailored to market timing, momentum, and trading setups rather than longer-term fundamental investing alone. Strategically, Jeff Clark Trader strengthens the Company's presence in active trading and broadens its ability to serve investors seeking specialized, higher-engagement products alongside its more traditional research and software offerings.

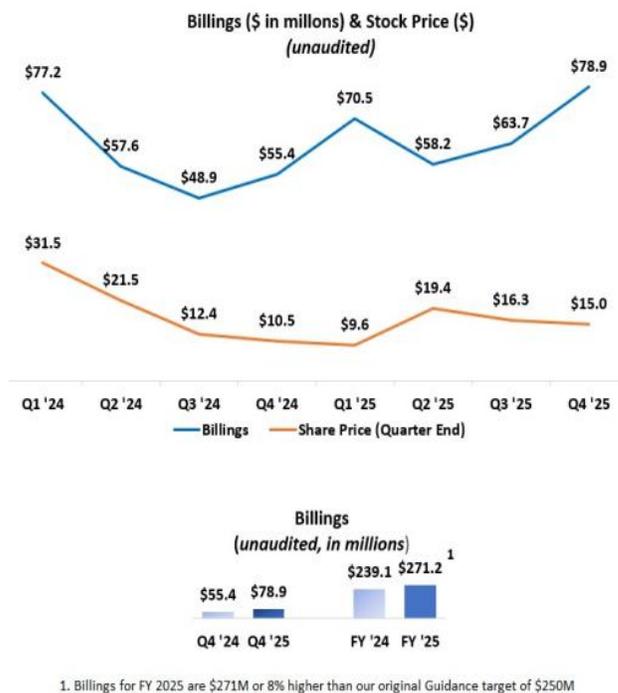
Value Drivers

MarketWise’s earnings power is increasingly tied to monetization quality rather than subscriber scale. The Company is deliberately shifting from lower-value volume toward a smaller, higher-spending customer base monetized through premium research, software, and repeat purchases. In that context, the key question is whether paid subscribers stabilize and whether MarketWise can drive a more durable revenue base through better mix, higher customer value, and greater contribution from premium and longer-tenured subscribers.

For a representation of MarketWise’s underlying demand, billings are more important than GAAP revenue. Billings reflect invoiced sales when products are purchased and cash is received, while GAAP revenue is recognized over the subscription term and therefore lags current sales activity. MarketWise breaks billings into New Marketing Billings, Net Renewal Billings, and Other Billings. Billings are the clearest indicator of underlying demand because they capture sales at the time of purchase, while reported revenue is recognized over the life of the subscription and therefore lags current-period activity. MarketWise’s billings are driven primarily by New Marketing Billings, which reflect current selling momentum and product-market fit, and Net Renewal Billings, which reflect the durability and monetization potential of the installed subscriber base. In recent periods, growth in New Marketing Billings has been supported by stronger software-related and entry-level product sales, while Renewal Billings have remained pressured by the smaller paid subscriber base, despite improving renewal behavior within the retained cohort. As a result, billings provide a better read on underlying sales trends than reported revenue or subscriber count alone.

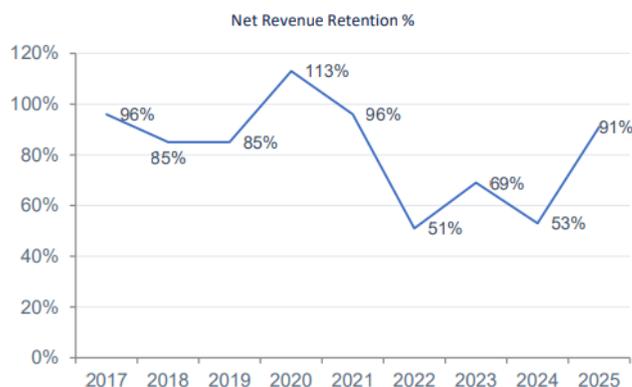
The most important drivers now are new billings, renewal durability, and product mix. Software and analytical tools represented over half of last fiscal year’s billings, highlighting the Company’s migration toward more utility-driven, higher-ARPU offerings. That mix shift matters because a more software-heavy and premium-oriented model should support better monetization, stronger retention, and improved cash flow even on a smaller subscriber base. Importantly, 2025 net revenue retention reached 91%, which management views as a return to pre-COVID levels and evidence that the current subscriber base is stickier and generating multiple purchases over time.

Exhibit 5: Billings Improvement



Source: Company Reports

Exhibit 6: Net Revenue Retention

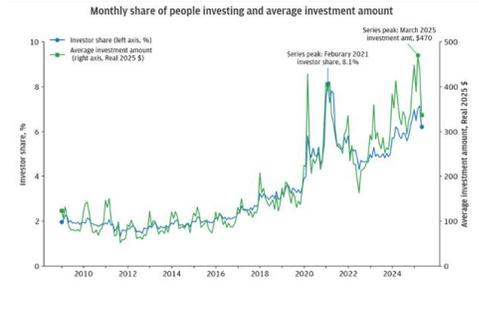


Source: Company Reports

Market Overview

MarketWise operates in the direct-to-consumer market for financial research, investor education, and software-enabled portfolio tools targeted at self-directed retail investors. The Company sits at the intersection of subscription-based financial publishing, digital investment research, and retail-focused decision support software, serving individuals who want actionable market insight, investing frameworks, and portfolio guidance without turning assets over to a traditional advisor. In that sense, MarketWise is not a broker, asset manager, or pure financial media company; rather, it is a digitally distributed platform designed to monetize investor attention and engagement through paid research, premium memberships, and increasingly analytical tools.

Exhibit 7: Rise in Retail Investing



Source: JPMorgan Chase Institute

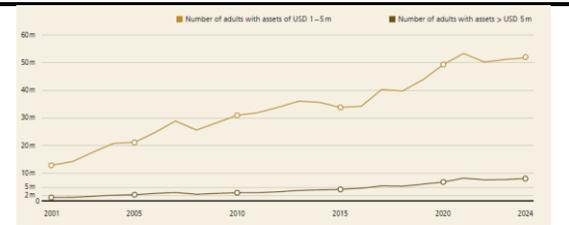
The direct-to-consumer financial research market is attractive because it is digital, scalable, and capital-light. Distribution costs are low, which support strong gross margins and operating leverage when customer acquisition is working. At the same time, the model is less predictable than traditional software. Revenue depends heavily on marketing efficiency, audience engagement, and product relevance. Retention is driven more by renewal behavior than by long-term contractual lock-in. The market is also highly brand and trust-driven. Subscribers pay for differentiated insight, editor credibility, and the usefulness of research or tools. That creates room for strong niche franchises, but it also keeps switching costs relatively low.

The industry is also closely tied to investor sentiment, market conditions, and the broader information environment. Demand tends to strengthen during periods of elevated market interest, volatility, or macro uncertainty, when self-directed investors are actively seeking guidance, new ideas, or portfolio tools. In quieter markets, weaker retail engagement and lower risk appetite can pressure both conversion and retention. Free content adds another structural challenge by raising the bar for paid offerings. As a result, the category tends to favor scaled platforms with diversified brands, broad product depth, and efficient customer-acquisition funnels.

Demand in the direct-to-consumer financial research market is supported first by the continued scale and activity of the self-directed investor base. According to the World Economic Forum, retail investors now account for roughly 20%–35% of daily trading volume in major markets, underscoring the size of the audience for paid research, education, and portfolio tools. While there is no single clean forecast for growth in the retail-investor population itself, adjacent market data points to a healthy backdrop for platforms serving self-directed investors. For MarketWise, the more relevant slice of that market is not casual participation, but the cohort of serious and increasingly affluent self-directed investors who want to manage their own capital while still paying for differentiated insight, portfolio support, and better decision tools. This cohort growth can be seen in the accompanying exhibit showing the growth in the number of millionaires in the United States since the beginning of the 2000's. Escalent's 2025 affluent-investor work also suggests this cohort is becoming more digitally engaged, with three in ten affluent investors using AI to inform investment decisions, while older cohorts still control the largest share of U.S. household wealth today, supporting a long-tail opportunity as that wealth increasingly shifts toward younger, more digitally native investors over time.

Demand also tends to strengthen when markets are harder to navigate. Periods of volatility, macro uncertainty, and rapid sector rotation typically increase willingness to pay for research, risk management, and actionable ideas, particularly among investors making portfolio decisions themselves rather than outsourcing them. At the same time, the continued expansion of the independent research ecosystem is broadening consumer willingness to pay for nontraditional financial content. Substack has surpassed 5 million paid subscriptions, while Reddit reached 121.4 million daily active users in 4Q25, highlighting the scale of engagement around creator-led and community-driven content. In our view, that trend is not purely competitive for MarketWise. It also validates demand for independent viewpoints and makes platforms such as Substack and Reddit useful incubators for new product ideas, niche investing communities, and emerging voices.

Exhibit 8: U.S. Affluent Investor Growth



Source: UBS

Risks

As with any investment, there are certain risks associated with MarketWise's operations, business model, and corporate structure, as well as with the broader market for subscription-based financial research and software tools. Key risks we view as most relevant to the equity story include the following:

- MarketWise's business remains highly dependent on its ability to attract new subscribers, retain existing subscribers, and deepen monetization through renewals, cross-sells, and higher-priced products. If content quality, subscriber engagement, pricing, or conversion rates weaken, billings and revenue could come under pressure. This is particularly important given the Company's growing emphasis on a smaller, higher-value subscriber base rather than raw subscriber volume.
- The Company's model is also dependent on effective, compliant, and cost-efficient marketing execution across email, social media, direct mail, paid media, and other channels. Changes in consumer behavior, tighter restrictions from email providers or digital platforms, higher acquisition costs, or increased scrutiny from agencies such as the FTC and state consumer-protection authorities could reduce customer acquisition efficiency and pressure growth.
- MarketWise's brands are built around trust, editorial independence, and the reputations of its editors and analysts. Any real or perceived lapse in editorial integrity, conflicts of interest, compliance failures, or reputational damage involving key contributors could weaken subscriber loyalty, reduce renewals, and harm the Company's ability to sell premium products. The Company has experienced such issues in the past, including terminating content providers and closing businesses following policy violations.
- The Company faces meaningful technology, cybersecurity, data privacy, and AI-related risks. MarketWise relies on third-party technology providers, cloud infrastructure, payment systems, subscriber databases, and digital marketing systems to operate the platform. System disruptions, data breaches, privacy-law violations, payment-processing issues, or unsuccessful deployment of AI tools could create operational disruption, regulatory exposure, liability, and reputational harm.
- The market remains highly competitive and fragmented, with competition spanning free financial-content platforms, traditional publishers, premium subscription businesses, institutional data/software providers, low-cost newsletters, and online investing tools. Many of these competitors have larger customer bases, stronger brand recognition, or greater financial and technological resources, which could make it harder for MarketWise to acquire subscribers, sustain pricing, or defend share in key categories.

Valuation

We rely on a P/E comp analysis, a dividend discount model and a DCF model to guide our valuation. When taken together with a simple average our valuation range for MKTW is between \$22.32 to \$26.86 with a midpoint of \$24.54. Further details on our valuation methods are found below.

Comp Analysis

MarketWise operates a differentiated business model in a niche category with few truly comparable public peers. As a result, our comp set draws primarily from publicly traded financial exchange/data businesses, along with select media and publishing companies that share elements of recurring content, subscription, and audience monetization models. We acknowledge that most of these peers are meaningfully larger than MKTW. To account for that mismatch, we apply conservative valuation ranges that reflect MKTW's smaller scale and lower liquidity. For the meantime we rely on price multiples instead of enterprise value multiples as the Company currently has an overhang from noncontrolling interest resulting in a negative enterprise value. We expect that, as MKTW continues to improve profitability following stronger billings, enterprise value will return to positive territory, allowing us to incorporate EV multiples.

Company Name	Symbol	Price ⁽¹⁾	Mrkt Cap	EV	Div Yield	EV/EBITDA ^(2,3)			P/E ^(2,3)			FCF Yield ^(2,3)			
						2025	2026E	2027E	2025	2026E	2027E	2025	2026E	2027E	
FactSet Research Systems	FDS	\$209.27	\$ 7,763.8	\$ 9,031.1	2.1%	13.2x	9.6x	8.9x	18.3x	11.8x	10.7x	N/A	N/A	N/A	
Open Lending Corporation	LPRO	\$ 1.34	\$ 157.7	\$ 69.1	N/A	15.5x	2.6x	2.1x	N/A	11.9x	8.1x	N/A	N/A	N/A	
News Corporation	NWS	\$ 27.39	\$ 13,865.1	\$ 15,402.1	N/A	13.9x	9.4x	8.3x	14.5x	22.9x	18.2x	N/A	N/A	N/A	
OTC Markets Group Inc.	OTCM	\$ 52.95	\$ 624.8	\$ 581.3	5.6%	13.8x	11.8x	11.3x	19.8x	18.8x	18.3x	N/A	7.0%	7.2%	
Reddit, Inc.	RDDT	\$139.85	\$ 26,716.4	\$ 24,262.8	N/A	90.3x	18.3x	13.3x	80.9x	34.0x	24.3x	1.7%	4.6%	6.5%	
S&P Global Inc.	SPGI	\$424.43	\$ 126,809.4	\$ 143,739.4	0.9%	22.6x	16.9x	15.6x	35.6x	21.6x	19.2x	3.2%	4.2%	4.6%	
Average						2.9%	28.2x	11.4x	9.9x	33.8x	20.2x	16.5x	2.4%	5.3%	6.1%
Median						2.1%	14.7x	10.7x	10.1x	19.8x	20.2x	18.2x	2.4%	4.6%	6.5%
MarketWise, Inc.	MKTW	\$ 15.45	\$ 37.8	\$ (234.3)	11.7%	N/A	N/A	N/A	6.2x	4.8x	4.3x	N/A	N/A	N/A	

(1) Previous day's closing price

(2) Estimates are from Capital IQ

(3) Forward estimates as of calendar year

Source: Company reports, CapitalIQ, Stonegate Capital Partners

For our P/E analysis, we note that the comp group trades at an average forward P/E of 16.5x, while MKTW has historically traded closer to 6.2x. Given the Company's size, liquidity profile, and limited direct comparability, we apply a conservative forward P/E range of 5.0x to 7.5x, with a midpoint of 6.25x, broadly in line with historical trading levels. This implies a valuation range of \$18.07 to \$27.10, with a midpoint of \$22.58.

	P/E		
2027E	5.00x	6.25x	7.50x
EPS	3.61	3.61	3.61
Price	\$ 18.07	\$ 22.58	\$ 27.10

Dividend Discount Model

We also incorporate a dividend discount model, as shareholder returns remain a central part of the MarketWise story and management has consistently emphasized the importance of maintaining a meaningful dividend. Assuming a forward dividend per share of approximately \$1.80, equivalent to a forward payout ratio of 57.0%, and using the same discount rate range as in our DCF of 14.5% to 15.5%, alongside a terminal growth rate of 4.3%, our DDM yields a valuation range of \$16.07 to \$17.65, with a midpoint of \$16.82.

Dividend Discount Model									
2026E Net Income	7.7			7.7			7.7		
Payout Ratio	54.5%			57.0%			59.5%		
Forward Payout (\$M)	4.2			4.4			4.6		
Forward S/O	2.4			2.4			2.4		
Payout Per Share	\$ 1.72			\$ 1.80			\$ 1.88		
Discount Rate	15.50%	15.00%	14.50%	15.50%	15.00%	14.50%	15.50%	15.00%	14.50%
Growth Rate	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%
Price	\$ 15.37	\$ 16.08	\$ 16.87	\$ 16.07	\$ 16.82	\$ 17.65	\$ 16.77	\$ 17.56	\$ 18.42

DCF Analysis

Finally, we use a DCF framework given the Company’s track record of setting and exceeding guidance, as well as the visibility provided by its subscription-based model and cash generation profile. We apply a discount rate range of 14.75% to 15.75% to reflect MKTW’s smaller size and liquidity constraints. That said, should those constraints ease, we believe the stock could see meaningful rerating potential, particularly considering its approximate 0.5 beta and debt-free balance sheet. Even under conservative assumptions, including a long-term topline CAGR of approximately 4.3%, equal to the long term growth rate seen in our dividend discount model, and largely flat margins in the out years, our DCF supports a valuation range of \$32.83 to \$35.83, with a midpoint of \$34.20.

MarketWise, Inc.														
Discounted Cash Flow Model														
<i>(in \$M, except per share)</i>														
Estimates:	2024	2025	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	Terminal Value
Revenue	408.7	328.1	358.2	387.7	409.4	426.2	440.2	453.7	467.3	480.6	494.3	507.6	521.3	
Operating Income	89.0	62.6	70.0	77.8	81.9	85.2	83.6	86.2	84.1	86.5	84.0	86.3	88.6	
Less: Taxes (benefit)	3.3	2.6	3.3	3.7	4.1	4.3	4.2	4.3	4.2	4.3	4.2	4.3	4.4	
NOPAT	85.7	60.0	66.7	74.1	77.8	81.0	79.5	81.9	79.9	82.2	79.8	82.0	84.2	
Plus: Depreciation & Amortization	7.2	2.6	2.0	2.0	2.0	2.1	2.2	2.3	2.3	2.4	2.5	2.5	2.6	
Plus: SBC and Other	22.3	14.2	13.0	9.0	9.2	9.6	9.9	10.0	10.3	10.6	9.9	10.2	10.4	
Plus: Changes in WC	(138.0)	(32.4)	(32.2)	(33.0)	(33.2)	(31.5)	(26.9)	(22.7)	(19.2)	(18.3)	(9.9)	(5.1)	(2.6)	
CFFO	(22.8)	44.4	49.4	52.2	55.9	61.2	64.7	71.5	73.4	76.9	82.3	89.6	94.6	
Less: Capex	(0.7)	(1.6)	(1.8)	(1.9)	(2.0)	(2.1)	(2.2)	(2.3)	(2.3)	(2.4)	(2.5)	(2.5)	(2.6)	
Free Cash Flow	(23.5)	42.8	47.6	50.2	53.8	59.0	62.5	69.2	71.0	74.5	79.8	87.1	92.0	722.0
Discount period - months			12	24	36	48	60	72	84	96	108	120	132	
Discount period - years			1.0	2.0	3.0	4.0	5.0	6.0	7.0	8.0	9.0	10.0	11.0	
Discount factor			0.87	0.76	0.66	0.57	0.50	0.43	0.38	0.33	0.28	0.25	0.21	
PV of FCF			41.4	38.0	35.4	33.7	31.1	29.9	26.7	24.4	22.7	21.5	19.8	155.2
Growth rate assumptions:														
Revenue	-19.7%	9.2%	8.2%	5.6%	4.1%	3.3%	3.1%	3.0%	2.9%	2.9%	2.7%	2.7%	2.7%	
Operating Income	-29.7%	11.8%	11.2%	5.2%	4.1%	-1.9%	3.1%	-2.4%	2.9%	-2.9%	2.7%	2.7%	2.7%	
EBITDA	-32.3%	10.4%	10.9%	5.2%	4.1%	-1.7%	3.1%	-2.3%	2.9%	-2.7%	2.7%	2.7%	2.7%	
Free Cash Flow	-282.1%	11.2%	5.5%	7.1%	9.6%	5.9%	10.7%	2.7%	4.9%	7.2%	9.1%	5.7%		
Margin assumptions:														
Operating Income	21.8%	19.1%	19.5%	20.1%	20.0%	20.0%	19.0%	19.0%	18.0%	18.0%	17.0%	17.0%	17.0%	
D&A as a % of sales	1.8%	0.8%	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
EBITDA	23.5%	19.9%	20.1%	20.6%	20.5%	20.5%	19.5%	19.5%	18.5%	18.5%	17.5%	17.5%	17.5%	
Taxes	3.7%	4.1%	4.7%	4.7%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	
Changes in WC	-33.8%	-9.9%	-9.0%	-8.5%	-8.1%	-7.4%	-6.1%	-5.0%	-4.1%	-3.8%	-2.0%	-1.0%	-0.5%	
SBC and Other	5.5%	4.3%	3.6%	2.3%	2.3%	2.3%	2.3%	2.2%	2.2%	2.2%	2.0%	2.0%	2.0%	
Capex as a % of sales	-0.2%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	
Valuation:														
Shares outstanding	2.4													
PV of FCF	324.6													
PV of Terminal Value	155.2													
Enterprise Value	479.8													
less: Net Debt	(70.1)													
Less: Minority Interest at 84.8%	466.2													
Estimated Total Value to Common:	83.7													
Est Equity Value/share:	\$34.20													
Sensitivity Analysis:														
		Terminal Growth Rates												
		0%	1%	2%	3%	4%								
Discount rate	14.50%	\$33.92	\$34.68	\$35.55	\$36.58	\$37.80								
	14.75%	\$33.33	\$34.04	\$34.86	\$35.83	\$36.97								
	15.00%	\$32.75	\$33.43	\$34.20	\$35.11	\$36.18								
	15.25%	\$32.20	\$32.83	\$33.57	\$34.42	\$35.42								
	15.50%	\$31.66	\$32.27	\$32.96	\$33.76	\$34.70								
Price	\$15.45													

Source: Company Reports; Stonegate Capital Markets

BALANCE SHEET

MarketWise, Inc.
 Consolidated Balance Sheets (\$M)
 Fiscal Year End: December

ASSETS	FY 2021	FY 2022	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025
Cash and cash equivalents	139.1	158.6	155.2	131.2	109.3	94.1	97.9	97.9	79.2	69.1	50.5	70.1	70.1
Accounts receivable	7.8	4.0	4.5	3.4	4.5	2.2	1.9	1.9	8.8	4.1	4.1	5.7	5.7
Prepaid expenses and other	13.0	11.7	9.3	10.6	8.3	9.0	10.1	10.1	10.2	7.3	15.7	10.8	10.8
Related party receivables	0.5	1.5	5.2	2.0	1.3	0.9	0.5	0.5	1.6	0.8	0.5	0.8	0.8
Related party notes receivable, current	0.3	-	-	-	-	-	-	-	-	-	-	-	-
Deferred contract acquisition costs	82.7	100.0	91.5	83.4	73.3	64.8	57.2	57.2	52.2	47.9	44.9	43.4	43.4
Other current assets	2.5	3.4	2.2	2.0	1.8	1.5	1.3	1.3	1.0	0.9	1.3	0.8	0.8
Restricted Cash	0.5	-	-	-	-	-	-	-	-	-	-	-	-
Total Current Assets	246.4	279.2	267.8	232.6	198.5	172.5	168.8	168.8	152.9	130.0	117.0	131.7	131.7
Property and equipment, net	1.2	0.9	0.7	0.6	0.6	0.6	0.6	0.6	0.2	0.3	0.3	0.5	0.5
Operating lease ROU assets	10.9	9.5	7.3	6.8	6.3	5.8	3.2	3.2	2.8	2.4	6.9	6.7	6.7
Intangible assets, net	8.6	16.0	6.3	8.4	8.3	7.7	4.7	4.7	4.4	4.1	4.0	3.8	3.8
Goodwill	23.3	31.3	31.0	33.6	33.6	33.6	30.0	30.0	30.0	30.0	30.0	30.0	30.0
Deferred contract acquisition costs, noncurrent	120.4	97.7	73.4	67.7	58.7	49.7	42.1	42.1	39.0	34.6	34.2	34.7	34.7
Related party notes-receivable, noncurrent	0.9	-	-	-	-	-	-	-	-	-	-	-	-
Deferred tax assets	9.0	7.3	9.7	9.4	9.2	8.5	10.1	10.1	10.3	10.3	9.2	11.0	11.0
Other Assets	1.0	0.6	0.3	0.2	0.1	0.0	-	-	-	-	-	-	-
Total Assets	421.6	442.5	396.6	359.3	315.3	278.4	259.5	259.5	239.6	211.8	201.7	218.4	218.4
LIABILITIES AND SHAREHOLDERS' EQUITY													
Trade and other payables	4.8	0.7	0.6	2.9	3.6	2.3	4.0	4.0	3.3	2.6	3.6	3.9	3.9
Related party payables	1.0	1.0	1.1	0.3	0.4	1.1	0.3	0.3	0.5	0.4	0.7	0.5	0.5
Accrued expenses	46.5	46.0	55.0	22.0	25.7	22.4	23.3	23.3	18.5	23.1	25.0	33.2	33.2
Deferred revenue and other contract liabilities	317.1	315.2	287.8	280.3	252.3	229.7	218.0	218.0	213.0	201.1	188.7	183.8	183.8
Operating lease liabilities	1.3	1.5	1.4	1.5	1.6	1.6	1.6	1.6	1.1	0.9	0.8	0.9	0.9
Other current liabilities	24.9	21.1	28.0	26.8	29.1	26.8	13.0	13.0	11.8	11.3	10.5	11.9	11.9
Total Current Liabilities	395.5	385.5	373.9	333.9	312.8	284.0	260.2	260.2	248.2	239.5	229.2	234.2	234.2
Long-term liabilities-related party	-	-	-	0.7	0.5	0.3	-	-	-	-	-	-	-
Deferred revenue and other contract liabilities, noncurrent	393.0	348.3	304.3	285.2	257.3	233.1	209.0	209.0	202.1	192.3	186.2	185.8	185.8
Related party TRA liability, noncurrent	-	-	2.2	2.5	2.9	2.7	2.7	2.7	3.7	4.3	4.3	4.3	4.3
Other liabilities, noncurrent	2.0	1.3	0.7	2.4	2.3	2.3	2.8	2.8	2.6	2.1	2.5	2.6	2.6
Warrant liabilities	29.3	-	-	-	-	-	-	-	-	-	-	-	-
Operating lease liabilities, noncurrent	6.9	5.8	4.4	4.0	3.5	3.1	2.7	2.7	0.7	0.6	5.4	5.2	5.2
Total Liabilities	826.8	740.9	685.5	628.7	579.3	525.5	477.4	477.4	457.3	438.8	427.6	432.0	432.0
Common Stock - Class A	0.0	0.0	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-
Common Stock - Class B	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred stock	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional-paid-in-capital	97.5	106.9	115.2	115.3	99.4	101.9	106.7	106.7	102.5	101.3	101.1	101.9	101.9
Accumulated other comprehensive income	(0.0)	0.0	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
Accumulated deficit	(146.1)	(128.1)	(126.3)	(124.7)	(123.1)	(121.4)	(119.3)	(119.3)	(118.4)	(117.1)	(115.6)	(113.7)	(113.7)
Total Parent Net Equity	(48.5)	(21.2)	(11.1)	(9.4)	(23.7)	(19.5)	(12.5)	(12.5)	(15.8)	(15.8)	(14.5)	(11.7)	(11.7)
Noncontrolling Interest	(356.7)	(277.2)	(277.9)	(260.0)	(240.3)	(227.6)	(205.4)	(205.4)	(201.9)	(211.3)	(211.4)	(201.9)	(201.9)
Total Consolidated Equity	(405.3)	(298.4)	(288.9)	(269.4)	(264.0)	(247.1)	(217.9)	(217.9)	(217.7)	(227.0)	(226.0)	(213.6)	(213.6)
Total Liabilities and Shareholders' Equity	421.6	442.5	396.6	359.3	315.3	278.4	259.5	259.5	239.6	211.8	201.7	218.4	218.4

Liquidity

Current Ratio	0.6x	0.7x	0.7x	0.7x	0.6x	0.6x	0.6x	0.6x	0.6x	0.5x	0.5x	0.6x	0.6x
Quick Ratio	0.4x	0.4x	0.4x	0.4x	0.4x	0.3x	0.4x	0.4x	0.4x	0.3x	0.2x	0.3x	0.3x
Working Capital	(149.10)	(106.33)	(106.05)	(101.35)	(114.37)	(111.48)	(91.38)	(91.38)	(95.28)	(109.48)	(112.18)	(102.50)	(102.50)

Source: Company Reports, Stonegate Capital Partners

INCOME STATEMENT

MarketWise, Inc.																		
Consolidated Statements of Income (in \$M, except per share amounts)																		
Fiscal Year End: December																		
	FY 2022	FY 2023	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025	Q1 E Mar-26	Q2 E Jun-26	Q3 E Sep-26	Q4 E Dec-26	FY 2026E	Q1 E Mar-27	Q2 E Jun-27	Q3 E Sep-27	Q4 E Dec-27	FY 2027E
Net Revenue	\$ 510.0	\$ 443.2	\$ 405.4	\$ 83.0	\$ 79.3	\$ 80.8	\$ 82.6	\$ 325.7	\$ 86.4	\$ 89.1	\$ 87.9	\$ 92.2	\$ 355.6	\$ 92.1	\$ 97.3	\$ 96.0	\$ 99.5	\$ 385.0
Related Party Revenue	2.4	4.9	3.3	0.5	0.6	0.4	0.8	2.4	0.5	0.7	0.5	0.9	2.5	0.6	0.7	0.5	1.0	2.7
Total Revenues	512.4	448.2	408.7	83.5	80.0	81.3	83.4	328.1	86.9	89.7	88.4	93.1	358.2	92.7	98.0	96.5	100.5	387.7
Operating Expenses:																		
Cost of Revenue	62.7	56.8	50.7	11.9	11.0	10.6	10.9	44.3	12.1	12.2	11.2	11.9	47.5	12.7	12.9	11.9	12.4	49.9
Gross Profit	449.7	391.4	358.0	71.6	69.0	70.7	72.5	283.8	74.9	77.5	77.2	81.2	310.7	80.0	85.1	84.6	88.1	337.8
Sales and Marketing	235.3	198.6	160.7	34.1	31.6	31.1	34.1	131.0	34.8	35.9	35.4	37.2	143.3	37.5	39.7	39.1	40.7	157.0
General and administrative	114.8	125.2	90.7	17.3	19.7	18.8	22.4	78.3	20.9	21.5	21.2	22.3	86.0	21.8	23.0	22.7	23.6	91.1
Research and development	8.8	8.8	9.9	2.3	2.1	2.1	2.2	8.8	2.3	2.3	2.3	2.3	9.0	2.4	2.4	2.4	2.4	9.4
Depreciation and amortization	3.1	3.8	2.8	0.5	0.5	0.7	0.5	2.2	0.5	0.5	0.5	0.5	2.0	0.5	0.5	0.5	0.5	2.0
Impairment of intangible asstes	-	2.6	4.4	0.4	-	-	-	0.4	-	-	-	-	-	-	-	-	-	-
Related party expense	0.4	0.6	0.5	0.1	0.2	0.1	0.1	0.6	0.1	0.1	0.1	0.1	0.5	0.1	0.1	0.1	0.1	0.5
Total Operating Expenses	362.4	339.6	269.1	54.8	54.2	52.9	59.4	221.2	58.5	60.3	59.5	62.5	240.7	62.3	65.7	64.8	67.3	260.0
Operating Income	87.3	51.8	89.0	16.8	14.8	17.8	13.2	62.6	16.3	17.2	17.7	18.7	70.0	17.7	19.4	19.9	20.8	77.8
Other income, net	15.7	(0.6)	2.1	0.2	0.3	0.5	0.1	1.0	0.3	0.3	0.3	0.3	1.0	0.3	0.3	0.3	0.3	1.0
Interest income, net	(0.3)	4.9	5.3	0.9	0.8	0.7	0.6	3.0	0.7	0.7	0.7	0.7	2.6	0.7	0.7	0.7	0.7	2.6
Profit Before Taxes	102.7	56.1	96.4	17.9	15.9	19.0	13.8	66.6	17.2	18.1	18.6	19.6	73.6	18.6	20.3	20.8	21.7	81.4
Income tax expense	1.5	1.8	3.3	1.0	0.6	1.1	(0.2)	2.6	0.8	0.8	0.8	0.9	3.3	0.8	0.9	0.9	1.0	3.7
Net Income	101.2	54.3	93.1	16.8	15.3	17.9	14.0	64.0	16.5	17.3	17.8	18.7	70.3	17.8	19.4	19.8	20.8	77.7
Non-Controlling Interest	83.2	52.5	86.0	16.0	14.0	16.4	12.0	58.4	14.7	15.4	15.8	16.7	62.5	15.8	17.3	17.6	18.5	69.2
Net Income To Common	18.0	1.8	7.1	0.9	1.3	1.5	1.9	5.6	1.8	1.9	2.0	2.1	7.7	2.0	2.1	2.2	2.3	8.5
Basic EPS	\$ 0.73	\$ 1.12	\$ 3.67	\$ 0.43	\$ 0.55	\$ 0.60	\$ 0.79	\$ 2.41	\$ 0.75	\$ 0.79	\$ 0.81	\$ 0.85	\$ 3.20	\$ 0.83	\$ 0.90	\$ 0.92	\$ 0.96	\$ 3.61
Diluted EPS	\$ 0.73	\$ 1.07	\$ 3.58	\$ 0.41	\$ 0.53	\$ 0.58	\$ 0.76	\$ 2.43	\$ 0.75	\$ 0.79	\$ 0.81	\$ 0.85	\$ 3.20	\$ 0.83	\$ 0.90	\$ 0.92	\$ 0.96	\$ 3.61
WTD Shares Out - Basic	24.6	1.6	1.9	2.1	2.4	2.5	2.4	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
WTD Shares Out - Diluted	24.7	1.7	2.0	2.2	2.4	2.6	2.5	2.3	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4
EBITDA	103.1	51.4	87.3	15.4	14.4	16.8	14.1	60.7	15.5	16.3	16.8	17.7	66.3	16.8	18.3	18.7	19.6	73.5
Adjusted EBITDA	\$ 94.2	\$ 72.8	\$ 93.0	\$ 18.0	\$ 16.6	\$ 19.1	\$ 16.7	\$ 70.4	\$ 18.8	\$ 19.6	\$ 20.0	\$ 21.0	\$ 79.3	\$ 19.0	\$ 20.6	\$ 21.0	\$ 21.9	\$ 82.5
Margin Analysis																		
Gross Margin	87.8%	87.3%	87.6%	85.7%	86.3%	87.0%	87.0%	86.5%	86.1%	86.4%	87.3%	87.2%	86.7%	86.3%	86.9%	87.7%	87.7%	87.1%
Operating Margin	17.0%	11.6%	21.8%	20.1%	18.5%	21.9%	15.8%	19.1%	18.8%	19.1%	20.0%	20.1%	19.5%	19.1%	19.8%	20.6%	20.7%	20.1%
EBITDA Margin	20.1%	11.5%	21.4%	18.4%	18.0%	20.7%	16.9%	18.5%	17.9%	18.2%	19.0%	19.0%	18.5%	18.1%	18.7%	19.4%	19.5%	19.0%
Pre-Tax Margin	20.0%	12.5%	23.6%	21.4%	19.9%	23.4%	16.6%	20.3%	19.8%	20.1%	21.1%	21.1%	20.5%	20.1%	20.7%	21.5%	21.6%	21.0%
Net Income Margin	3.5%	0.4%	1.7%	1.1%	1.6%	1.9%	2.3%	1.7%	2.1%	2.1%	2.2%	2.2%	2.2%	2.1%	2.2%	2.3%	2.3%	2.2%
Tax Rate	1.5%	3.2%	3.4%	5.8%	3.8%	5.6%	-1.2%	3.8%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Growth Rate Y/Y																		
Total Revenue	-6.7%	-12.5%	-8.8%	-23.4%	-23.9%	-16.4%	-14.4%	-19.7%	4.1%	12.2%	8.8%	11.6%	9.2%	6.6%	9.2%	9.2%	7.9%	8.2%
Total cost of revenues	-71.6%	-6.3%	-20.8%	-26.0%	-23.0%	-15.3%	-4.7%	-17.8%	6.8%	11.3%	12.5%	5.2%	8.8%	6.5%	8.9%	8.9%	7.7%	8.0%
Operating Income	-109.0%	-40.6%	71.8%	-22.2%	-30.6%	-18.6%	-45.5%	-29.7%	-2.6%	16.0%	-0.5%	42.0%	11.8%	8.3%	13.0%	12.0%	11.3%	11.2%
Pre-Tax Income	-110.8%	-45.4%	71.8%	-23.7%	-27.7%	-20.0%	-49.2%	-30.9%	-3.6%	13.6%	-1.9%	42.1%	10.5%	7.9%	12.3%	11.4%	10.8%	10.7%
Net Income	-101.8%	-90.1%	296.1%	-46.3%	-16.0%	-12.5%	-9.8%	-20.4%	103.4%	46.4%	29.9%	6.9%	37.4%	7.9%	12.3%	11.4%	10.8%	10.7%

Source: Company Reports, Stonegate Capital Partners estimates

CASH FLOW STATEMENT

MarketWise, Inc. Consolidated Cash Flow Statements (\$M) Fiscal Year End: December																	
CASH FLOW	FY 2021	FY 2022	Q1 Mar-23	Q2 Jun-23	Q3 Sep-23	Q4 Dec-23	FY 2023	Q1 Mar-24	Q2 Jun-24	Q3 Sep-24	Q4 Dec-24	FY 2024	Q1 Mar-25	Q2 Jun-25	Q3 Sep-25	Q4 Dec-25	FY 2025
Operating Activities																	
Net Income	(953.9)	101.2	30.6	9.7	12.0	1.9	54.3	22.7	21.2	22.7	26.4	93.1	16.8	15.3	17.9	14.0	64.0
Depreciation and amortization	2.7	3.1	1.0	1.0	1.0	0.8	3.8	0.7	0.7	0.6	0.8	2.8	0.5	0.5	0.7	0.5	2.2
Impairment of property and equipment, net	-	0.3	-	-	0.6	2.0	2.6	-	-	-	4.4	4.4	0.4	-	-	-	0.4
Stock-based compensation	210.9	9.0	3.7	3.7	3.6	12.4	23.4	3.8	1.7	3.2	3.5	12.2	3.1	2.6	2.8	2.7	11.1
Change in fair value of contingent consideration	728.1	-	-	-	-	-	-	-	0.8	(0.5)	0.2	0.5	(1.2)	(0.2)	0.2	0.1	(1.2)
Change in fair value of derivative liabilities - other	(18.0)	(15.7)	1.0	(0.3)	1.0	0.1	1.8	-	-	-	-	-	-	-	-	-	-
Deferred taxes	2.4	1.5	0.9	0.5	0.7	(0.2)	1.8	0.7	0.6	0.9	0.7	2.9	1.0	0.6	1.1	(1.8)	1.0
Unrealized gains on foreign currency	(0.0)	(0.1)	(0.0)	(0.0)	0.0	0.0	0.0	(0.1)	(0.0)	(0.1)	0.1	(0.0)	(0.0)	0.0	(0.0)	0.0	(0.0)
Other gains	(0.1)	-	-	-	-	-	-	-	-	-	-	-	(1.6)	(0.3)	(0.3)	-	(2.3)
Noncash lease expense	1.9	1.9	0.5	0.5	0.5	0.5	2.1	0.5	0.5	0.5	0.5	2.1	2.1	0.4	0.2	0.4	3.2
Gain/Loss on sale of business	-	-	-	-	-	1.6	1.6	-	-	-	(2.0)	(2.0)	-	-	-	-	-
Cash flow from operating activities before working capital changes	(26.1)	101.2	37.7	15.1	19.4	19.2	91.4	28.3	25.4	27.4	34.7	115.9	21.2	18.9	22.5	15.8	78.4
Decrease/(Increase) in Accounts receivable	4.6	3.8	0.9	0.0	(2.8)	1.4	(0.5)	1.2	(1.1)	2.3	0.3	2.7	(6.9)	4.7	(0.0)	(1.6)	(3.8)
Increase/ (Decrease) Related party receivables	(1.2)	(1.0)	0.2	(0.2)	0.9	(3.1)	(2.3)	2.4	(0.2)	1.4	(1.0)	2.6	0.4	0.9	0.4	(0.6)	1.1
Decrease/(Increase) Prepaid expenses	(4.5)	1.3	(0.5)	1.8	(1.0)	2.1	2.4	(1.3)	2.3	(0.7)	(1.1)	(0.7)	(0.1)	2.9	(8.4)	4.9	(0.7)
Decrease/(Increase) Other current assets and other assets	(0.7)	(0.5)	0.5	0.2	(0.1)	1.0	1.5	0.2	0.3	0.4	0.2	1.2	0.3	0.2	(0.4)	0.5	0.5
Decrease/(Increase) Crypto currency intangible assets	0.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease/(Increase) Deferred contract acquisition costs	(95.8)	5.5	9.8	10.1	3.6	7.8	31.3	13.8	19.2	17.5	13.1	63.5	8.2	8.4	2.8	1.0	20.5
Decrease/(Increase) Trade and other payables	(7.3)	(4.0)	1.5	0.9	(1.2)	(1.4)	(0.2)	2.4	0.8	(1.0)	1.3	3.5	(0.7)	(0.6)	1.0	0.2	(0.1)
Decrease/(Increase) Accrued expenses	14.2	(0.5)	(16.2)	8.6	4.4	12.3	9.1	(33.0)	3.7	(3.4)	0.9	(31.8)	(4.8)	4.6	1.9	8.2	9.9
Decrease/(Increase) Deferred Revenue	175.6	(52.0)	(29.3)	(5.8)	(9.2)	(22.8)	(67.1)	(30.9)	(56.0)	(46.7)	(28.5)	(162.1)	(11.9)	(21.2)	(17.6)	(5.4)	(56.1)
Decrease/(Increase) Derivative liabilities	0.7	-	-	-	-	(3.1)	(3.1)	-	-	-	-	-	-	-	-	-	-
Decrease/(Increase) Operating lease liabilities	(1.2)	(1.7)	(0.4)	(0.4)	(0.4)	(0.4)	(1.5)	(0.4)	(0.4)	(0.4)	(0.4)	(1.4)	(2.7)	(0.3)	(0.2)	(0.2)	(3.3)
Decrease/(Increase) Other current and long-term liabilities	5.3	(3.8)	(0.4)	(1.3)	(1.6)	4.5	1.3	(1.3)	2.2	(2.6)	(13.7)	(15.4)	(1.2)	(0.7)	0.3	1.3	(0.3)
Cash flow generated(absorbed) from operating Activities	63.6	48.374	3.9	29.0	12.1	17.5	62.4	(18.5)	(3.8)	(5.8)	6.0	(22.2)	1.7	17.8	2.2	24.2	46.0
Investing Activities																	
Cash paid for acquisitions, net of cash acquired	(7.1)	(12.8)	-	-	(0.2)	-	(0.2)	-	-	-	-	-	-	-	-	-	-
Purchase of property and equipment	(0.2)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	-	(0.0)	(0.0)	(0.1)	(0.1)	(0.0)	(0.1)	(0.0)	(0.2)	(0.4)
Capitalized software development costs	(0.1)	(0.1)	(0.4)	(0.5)	(0.5)	(0.2)	(1.7)	(0.3)	(0.5)	(0.0)	0.2	(0.5)	(0.2)	(0.2)	(0.5)	(0.3)	(1.2)
Acquisition of noncontrolling interests, including transaction costs	-	(0.3)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of intangible assets	(0.9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow generated by Investing Activities	(8.3)	(13.2)	(0.4)	(0.6)	(0.7)	(0.2)	(1.9)	(0.3)	(0.5)	(0.0)	0.1	(0.7)	(0.2)	(0.3)	(0.5)	(0.5)	(1.6)
Financing Activities																	
Proceeds from issuance of common stock	-	0.8	-	0.3	-	0.3	0.7	-	0.2	-	0.1	0.3	-	0.3	-	0.1	0.4
Repurchases of stock	(3.3)	(13.1)	-	-	-	-	-	-	(10.8)	-	-	(10.8)	-	(1.9)	(1.1)	(0.5)	(3.4)
Restricted stock units withheld to pay taxes	-	(0.5)	(0.6)	(0.5)	(0.4)	(4.5)	(6.0)	(1.2)	-	(0.2)	-	(1.4)	(0.6)	-	(1.6)	(0.2)	(2.4)
Dividends paid	(135.5)	-	-	-	(0.3)	(5.4)	(5.7)	(0.3)	(0.4)	(0.4)	(0.4)	(1.5)	(2.0)	(0.8)	(1.0)	(1.0)	(4.8)
Tax distributions to noncontrolling interest	-	-	-	-	-	(3.4)	(3.4)	-	(10.2)	(0.2)	0.9	(9.6)	-	(42.9)	(7.1)	0.2	(49.8)
Other distributions to noncontrolling interests	(5.5)	(4.6)	0.0	(2.7)	(3.7)	(43.2)	(49.5)	(3.7)	3.7	(8.6)	(2.9)	(11.5)	(17.6)	17.6	(9.4)	(2.7)	(12.2)
Net proceeds from the transactions	113.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of related party notes receivable	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from related party notes receivable	-	1.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow generated(absorbed) by financing Activities	(30.7)	(16.2)	(0.6)	(2.8)	(4.4)	(56.1)	(64.0)	(5.2)	(17.5)	(9.4)	(2.3)	(34.5)	(20.2)	(27.6)	(20.2)	(4.1)	(72.1)
Effect of exchange rate changes on cash	0.0	0.1	0.0	(0.0)	0.0	0.0	0.0	(0.0)	(0.0)	0.0	-	(0.0)	-	-	(0.0)	0.0	(0.0)
Net Cash flow in the year	24.7	19.0	2.9	25.6	7.0	(38.8)	(3.4)	(24.0)	(21.8)	(15.2)	3.8	(57.3)	(18.7)	(10.1)	(18.6)	19.6	(27.7)
Cash and Cash Equivalents																	
Beginning Cash balance	114.9	139.6	158.575	161.5	187.0	194.0	158.6	155.174	131.2	109.3	94.1	155.2	97.876	79.2	69.1	50.5	97.9
Ending Cash balance	139.6	158.6	161.5	187.0	194.0	155.2	155.2	131.2	109.3	94.1	97.9	97.9	79.2	69.1	50.5	70.1	70.1

Source: Company Reports, Stonegate Capital Partners

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